

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE**

**Call to Order:** By **CHAIRMAN JEFF PATTISON**, on January 16, 2003 at 8 A.M., in Room 317-C Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Jeff Pattison, Chairman (R)  
Sen. Bill Tash, Vice Chairman (R)  
Sen. Edward Butcher (R)  
Rep. John Musgrove (D)  
Sen. Linda Nelson (D)  
Rep. Rick Ripley (R)  
Sen. Debbie Shea (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Gary Hamel, Legislative Branch  
Elaine Olsen, Committee Secretary  
Doug Schmitz, OBPP

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape time stamp references the materials which follows.

**Committee Business Summary:**

Hearing & Date Posted: Department of Natural Resources,  
1/16/2003  
Executive Action: None

**{Tape: 1; Side: A; Approx. Time Counter: 1 - 20}**

**Bud Clinch, Director, Department of Natural Resources and Conservation (DNRC)**, introduced Bob Harrington, Administrator, Forestry Division, and Sue Clark who handles the fiscal affairs for the Forestry Division.

**Bob Harrington, Administrator, Division of Forestry**, gave an overview of the Division of Forestry. The three bureaus within the Division are Budget and Facilities Management Bureau, Service Forestry Bureau, and the Fire and Aviation Management Bureau. The Division has joint supervisory responsibility for six area offices in Kalispell, Missoula, Lewistown, Billings, Kalispell and Glasgow. These units are for the administration and implementation of programs and the complexes have offices, storage facilities, garages, fire engines and emergency support.

**EXHIBIT(jnh09a01)**

**Bob Harrington** stated the Division has 171 FTEs, and the total budget for FY02 was a little over \$9.5 million. Personal services and operating was the largest share of the budget. Funding sources include \$5.8 million General Fund, \$2.7 million State Special Revenue, and some federal funds support in the Service Forestry program.

**Bob Harrington** said the regular budget programs are in fire, trans-forestry assistance, forest practices, nursery and the budget and facility program. The aviation fleet with rotary and fixed wing aircraft is a proprietary program.

**Bob Harrington** gave an overview of the Budget and Facility Bureau. The budget is made up of different sources including State Special Revenue with special funds that fluctuate. A fire season of any magnitude results in expenses that are charged to the Department. Facilities are spread across the state with six area offices, 18 unit offices and six additional fire initial attack stations.

The Bureau is also responsible for administrative support. The Bureau has 8.5 permanent FTEs with a total budget of \$1.2 million with all funding from General Fund.

**Bob Harrington** described the Service Forestry Bureau which has a variety of functions and a total budget of \$1.5 million, with General Fund as the primary funding source and some federal and State Special Revenue. The Bureau has a total of 23 FTEs.

One of the main programs of the Bureau is slash hazard reduction. This is a program wherein the Division enters into a contractual relationship with landowners and loggers when a logging operation starts. The Bureau works to ensure that when the operation is finished, the slash has been treated to the extent that it minimizes the fire hazard.

**Director Clinch** clarified that the work applies to the harvest on private lands. **Bob Harrington** stated the Slash Hazard Reduction Law is contained in statute and applies strictly to private lands, large and small.

**Bob Harrington** stated that the purpose of the Forest Practices Bureau is to monitor the effectiveness of the various legislation regarding forest practices including the Stream-side Management Zone Law, Best Management Practices and Notification Law (BMP). Implementation includes the enforcement of the requirements of the Stream-side Management Zone Law to ensure the minimum standards are met plus the monitoring of the BMP. The primary enforcement involves foresters on the ground plus workshops with landowners and the logging industry. Interdisciplinary teams conduct biennial audits and monitor logging operations.

**Bob Harrington** stated the field foresters provide a limited amount of private forestry assistance. The Bureau administers some national cost-share programs through the Forest Stewardship program. A staff entomologist conducts forest surveys in cooperation with the United States Forest Service (USFS), conducts training for forestry professionals, and provides a limited amount of landowner assistance.

**Bob Harrington** said the Community Forestry program has a staff of three people who work with the management of the urban community forest. The program includes pass-through grants from the federal government.

**Director Clinch** commented that there is a variety of funding sources, both General Fund and federal funding, for the programs.

**Bob Harrington** said that DNRC looks carefully at the programs brought forward by the federal government.

**{Tape: 1; Side: A; Approx. Time Counter: 20 - 30}**

**Bob Harrington** described the Conservation Seedling Nursery which is located at the Missoula facility. Seedlings are primarily intended for conservation plantings and reforestation on state and private lands. The total of seasonal staff and permanent workers is 9.7 FTEs. The budget for FY02 was \$440,000 and was

100 percent State Special Revenue derived from the sale of seedlings, with a little over 1 million seedlings being produced at the facility.

**SEN. BUTCHER** inquired if the Extension Service in Bozeman still supplied shelter belt trees. **Bob Harrington** stated that seedlings received through the County Extension Service were probably grown at the Missoula facility. **Director Clinch** stated that currently trees obtained through County Extension or Conservation Districts are supplied by the Forestry Division.

**Bob Harrington** stated the Fire and Aviation Management Bureau is the largest and most complex of the Forestry Division in terms of financial implications for the State of Montana in terms of supplying the infrastructure for fire suppression programs. Contained within this Bureau are programs addressing direct protection, County Co-op protection program, equipment development, fire prevention and fuel reduction as well as wild land fire training for state and county firefighters. The Bureau also manages the aviation program.

**Bob Harrington** reported that Title 76 establishes that the State of Montana has the responsibility to protect all state and private lands from the effects of wild land fire. The Department has accepted the responsibility to ensure that every acre of state and private land is protected by some wild land fire entity, whether it be DNRC, the counties or subcontractors. The program has changed in response to major wild lands fires. The Direct Protection program, the County Co-op program, grew out of fires that threatened private property and lives.

**Bob Harrington** stated that the Fire and Aviation Bureau funding sources are 61 percent General Fund, 33 percent assessments per statute, and 6 percent federal funds. The total budget is \$6.9 million with a total of 130 FTEs, with 82 permanent and 48 seasonal employees.

**Director Clinch** clarified that the seasonal work force might be as high as 160 or 170 people for a quarter of a year, equating to a total of 48 FTEs.

*{Tape: 1; Side: B; Approx. Time Counter: 1 - 7}*

**SEN. BUTCHER** asked for additional information on the assessments mentioned as a portion of the funding source. **Bob Harrington** replied that the assessments were on private forested lands, "classified forest lands" as determined by the Department of Revenue. **SEN. BUTCHER** asked where the assessment showed up.

**Director Clinch** stated the assessment is collected through the county tax roles. Thresholds are within the codes that define what constitutes classified forest land. Scattered bull pine is considered grazing land. Assessments are levied on acreage that are within the defined protection zones of the Department's responsibilities.

**Bob Harrington** reported that by statute DNRC can assess a maximum of \$30 per ownership up to 20 acres, then \$0.20 per acre for every acre above 20 acres on forested landowners. The assessment is currently at the \$30 for up to 20 acres, and \$0.19 per acre for acreage over the base of 20 acres. About 55,000 landowners receive the assessments for about 5.2 million acres. In FY03 the assessment produced \$2.2 million in revenue.

**Bob Harrington** stated that the Direct Protection program comprises about 5.2 million acres in districts where DNRC is the sole fire protection agency. The Department has primary responsibility for wild land fires. DNRC provides fire protection for 4.7 million acres of tribal and federal lands within the Direct Protection area, with the federal government providing protection on an equal amount of acreage in other areas.

*{Tape: 1; Side: B; Approx. Time Counter: 7 - 22}*

**SEN. BUTCHER** reported he had heard stories about the local co-op in the Missoula area "going in to put out a fire and all of a sudden the feds come in and overrode them and run them out. They sat there and were planning and strategizing while the thing was burning. Who's in charge of these things?"

**Bob Harrington** replied that one of the intents behind trying to define the protection area boundaries is establishing who has primary protection responsibilities. Normally the first on the scene establishes an incident commander and is responsible for the management of that incident. As other resources arrive at the fire, they become part of the organization. If jurisdiction overlaps or if there is some question about who is responsible, then a joint command is set up. They ensure the work is coordinated.

**SEN. BUTCHER** asked if the federal agency limited the work on a fire due to other concerns such as endangered species, could DNRC prevail with their efforts to put out the fire. **Bob Harrington** stated that if a fire is on state or private lands, it is the jurisdiction of the Department. If it is on federal lands where they have jurisdiction, the federal government does have input

about what techniques can be used. DNRC keeps resource concerns in view, but the focus is on fire suppression.

**Bob Harrington** continued, describing the resources needed to protect the 5 million acres of forest: 120 firefighters, 10 lookouts, 55 wild land engines, aviation fleet, and personal protective equipment for the firefighters. Over the last twenty years, DNRC has suppressed over 7,000 fires that have burned over 200,000 acres at a total cost of \$85 million. Fires have become more frequent, larger and more expensive.

**Director Clinch** commented that looking at the total cost per acre per fire does not take into consideration the amount of land that did not burn or the prevention of potential damaging effect on structures and human life.

**Bob Harrington** stated that one of the primary goals of the Direct Protection program is to catch 95 percent of the fires that start before they reach ten acres. Between 1981 and 2001 DNRC suppressed 96 percent of the fires before they reached ten acres. The average cost of putting out a ten-acre fire is about \$3,500; a 5,000 acre fire is about \$4 million. The areas in the Direct Protection program tend to be some of the highest risk properties within the state of Montana, with a lot of them centered around the major population centers of Montana.

**REP. MUSGROVE** asked how much of that higher cost is due to the population going into the forested areas, and if it is correct to assume that the concerns for safety of private property, houses and personal safety, are also a factor in how a fire is handled.

**Bob Harrington** replied that REP. MUSGROVE was absolutely right. The expense to firefighting agencies of having homes constructed in the wild land-urban interface in the last 10 to 15 years has been great. In the fires in the Bitterroot in 2,000, most of the effort was protection rather than suppression.

***{Tape: 1; Side: B; Approx. Time Counter: 22 - 31}***

**Director Clinch** stated that firefighting strategy has changed in the last 20 or 30 years from mobilizing to suppress a fire to initiating isolated protections because of small urban communities, sub-developments or trophy homes. The whole firefighting strategy has changed, making it more costly and decreasing the ability to contain large fires. The fire protection assessment becomes an issue when a disproportionate part of the costs are associated with protecting structure and personal property that have not been assessed.

**REP. RIPLEY** asked about "equally" and "costly" concerning how DNRC determines which to protect, an expensive home or a small shack. **Director Clinch** replied that ideally both structures would receive equal protection. **Bob Harrington** discussed that a "defensible space" will receive more attention as it may be a structure that can be saved, where the other structure is not as defensible. The safety ramification is the main concern.

**CHAIRMAN PATTISON** asked what was the largest expense on an average fire. **Bob Harrington** replied that aircraft is the highest expense. On larger fires 30-35 percent of the expense is aircraft, 25-30 percent is personnel, and the remainder is supplies and contracted services. Every retardant drop costs about \$4,000. The sky crane helicopters cost about \$7,000 an hour for operation.

**SEN. BUTCHER** asked if there was a need for legislation to deal with the "defensible" versus "non-defensible" houses and properties and the assessments on these. **Bob Harrington** replied that a comprehensive and holistic analysis is needed on how we assess the cost of maintaining infrastructure for the fires and how best to assess the cost of putting those fires out.

*{Tape: 2; Side: A; Approx. Time Counter: 1 - 12}*

**Bob Harrington** continued, stating that the part of the population that is creating the demand, the safety risk and the increasing fire suppression costs needs to be looked at. **CHAIRMAN PATTISON** stated that **REP. KAUFMANN** had a bill last session that arose from the same discussion. **Bob Harrington** stated that two bills addressing these issues are being considered in this legislative session.

**Bob Harrington** reported that since the '99 biennium, the amount of fire supplemental requested of the Legislature was \$55 million in the year 2000, with the average supplemental request being \$10 million. **Director Clinch** stated that included in the requests are reimbursable monies DNRC spends assisting other agencies. The net cost to the state is less than the average shown. In FY01 which includes the 2000 fire season, \$38 million was recovered through the Federal Emergency Management Agency(FEMA).

**Bob Harrington** stated that DNRC subcontracts with the Bureau of Land Management(BLM), Fish and Wildlife Service(FWS), Salish and Kootenai Tribes, and the United States Forest Service(USFS) to help provide fire protection to state and private wild lands. This encompasses about 1.7 million acres. While assessments are collected on this land, only the Tribes are being reimbursed.

**Bob Harrington** stated that the balance of the state and private land in Montana, about 45 million acres, is protected by the County Coop program which operates in all 56 Montana counties. They respond to about 4,500 fires annually, with about 35 fires exceeding the counties' capabilities each year in which cases DNRC provides assistance to the counties.

The County Co-op program is a contractual relationship between DNRC and the county wherein the county agrees to accept the fire protection responsibilities on all the state and private land within their county. The counties agree to designate a county fire warden, form fire districts, and conduct a minimal amount of fire training. In return, the State of Montana provides them with equipment and wild lands fire training. In the event that a fire exceeds the counties' capability to suppress it, the State of Montana will provide assistance in the form of advice and coordination plus hired resources.

**REP. RIPLEY** asked how rural districts work in cooperation with the assessments and whether or not homeowners are assessed twice. **Bob Harrington** replied that Fire District Assessments are paid to the local rural fire Department for structural protection, not wild land fire protection. DNRC would still have the wild land fire protection responsibility. The local fire district would, in return for the local fire assessment, respond to a fire threat to structures. In some cases volunteer firefighters are focused on protecting the structures while wild land agencies are attempting to suppress the fire.

**SEN. BUTCHER** contributed that in his fire district it is 30 miles from one spot to another so response time can be 45 minutes to an hour. Wild lands trucks are scattered on ranches throughout the area which allows for a ten minute response time in some cases. **Director Clinch** added that the wild land trucks are a part of the County Co-op program.

*{Tape: 2; Side: A; Approx. Time Counter: 13 - 20}*

**Bob Harrington** stated that DNRC has a large investment in the counties in equipment and time. The Department is required by the federal government to inspect and maintain the equipment they place in the counties to ensure it is being used for the right purpose. Some county departments expand beyond what DNRC can supply.

**Bob Harrington** presented information on fire history indicating that in 20 years, 91 percent of the numbers of fires fell under direct protection, and nine percent of the fires were County



Co-op. About one-half of those fires were human-caused and averaged about 380 acres in size.

***{Tape: 2; Side: A; Approx. Time Counter: 20 - 30}***

**Bob Harrington** addressed the training program which enhances the capabilities of the firefighters but also addresses safety. In FY02, 2,500 firefighters were trained in 230 courses across the state.

**CHAIRMAN PATTISON** asked if there had been any fatalities in the State Direct Protection program. **Bob Harrington** replied that the first fatality occurred in 2002 when a volunteer died from a brain aneurism while doing physical exercise on her lunch break in anticipation of taking the physical fitness test.

**Bob Harrington** described the Equipment Development Center which provides assistance to the counties and develops equipment for the Direct Protection program. DNRC obtains federal excess property which is surplus military and firefighting equipment from the BLM or the USFS.

**SEN. BUTCHER** reported that he had just toured the Prison and wondered if some of the equipment development could be run through the Prison shop. **Director Clinch** stated that some of the equipment in the Anaconda unit is handled at the Prison. Some of the fabrication takes special expertise. Sometimes the expansion of those services results in competition with the private sector. **Bob Harrington** stated that the average rotation of the equipment is over 20 years.

***{Tape: 2; Side: B; Approx. Time Counter: 1 - 11}***

**Bob Harrington** described the helicopters and fixed wing aircraft owned by the fire program. All the aircraft are federal government surplus equipment and has been rebuilt by the Department. Estimated cost differences between the Department maintaining their own fleet versus hiring private aircraft is \$1 million as compared to \$3 million. **Director Clinch** stated that the Department does not have to capitalize the aircraft.

**REP. PATTISON** asked about comparison between the costs for Fish Wildlife and Parks aircraft as compared to DNRC's costs.

**Director Clinch** replied that the maintenance differs as does the type of aircraft. The type of operation differs between the Departments.

**EXHIBIT (jnh09a02)**

**SEN. BUTCHER** asked about the possibilities of the agencies pooling their aircraft. **Director Clinch** reported that the aviation program is primarily federal excess property which came to the Department with severe restrictions limiting use.

*{Tape: 2; Side: B; Approx. Time Counter: 11 - 30}*

**Bob Harrington** reported that following the forest fires in 2000, a study determined that forest fuels are too dense. The federal government has designated money for fuel reduction projects through the Western Grant Program. Funding is used for fuel reduction, cost share programs for homeowners, and contracting for fuel reduction on state and private land. In 2001 and 2002, Montana received a grants for \$587,000 to sponsor projects across the state. The funds can be used for pass-through projects to volunteer fire departments or private contractors to conduct defensible space audits of individual homes in the wild land urban interface areas.

**SEN. TASH** asked if some of the projects are in southwestern Montana. **Bob Harrington** stated that the national forest system received monies for fuel reduction projects.

**SEN. BUTCHER** asked if any of the "environmental nut cases" are filing law suits. **Bob Harrington** stated that because this program occurs on private lands, there have been no environmental law suits. When fuel reduction takes place on State School Trust Lands, the Department is complying with requirements of DNRC's Forest Management plan as well as Montana Environmental Protection Act (MEPA).

**Director Clinch** reported that the USFS has experienced problems, particularly if their proposed treatment produces a commercial product. Some fuel reduction programs have been held up.

**Bob Harrington** described the Volunteer Fire Assistance (VFA) and Rural Fire Assistance (RFA) programs which provided \$1 million in funding assistance between 1975 and 2000. Between 2001 and 2002 the allocations tripled because of the increased federal money. Funds were distributed to the volunteer fire departments through Interagency Cooperation Grants.

**REP. MUSGROVE** asked about the dispersal of funds. **Bob Harrington** replied that requests were consolidated in some cases, and in some cases the fire risks varied among the counties. Some rural fire departments had a greater need. Funding was limited to use for personal protective equipment, equipment, radios and training.

**Bob Harrington** addressed funding and staffing problems. The drought continues, more people are living in or near the forests, the average age of the Department's fleet is increasing--these are concerns facing the agency. Obtaining surplus equipment is becoming more difficult, and cost share programs are lessening as the possibility of war increases. This results in less work being done on the ground on state and private lands.

**Bob Harrington** described the current legal funding framework for the Fire Protection Program. Forest landowners within the direct protection boundaries area are assessed. Scrub timber, sagebrush and range land are experiencing large fires which results in the State providing assistance and accepting financial responsibility. The landowners are not paying direct assessment to DNRC for suppression of these fires, although they may be paying assessments that the county levies for local volunteer fire departments. In certain areas, if the budget is not increased, reduction of services may cause increased fire costs.

*{Tape: 3; Side: A; Approx. Time Counter: 2 - 13}*

**Bob Harrington** stated that DP11 would fund a one-time pay exception granted by the OBPP in 2,000 permanent. The exception increased the pay of the seasonal fire fighters by 20 percent in an effort to retain skilled personnel. Of the \$200,000 total cost, \$66,000 would be from State Special Revenue assessments, and the balance would come from federal funds.

**REP. RIPLEY** asked if the 20 percent was a pay raise for the individuals. **Bob Harrington** stated it would apply to the pay rate for the individuals. He said he would provide a copy of the pay matrix for the Committee.

**Bob Harrington** stated that DP21 would restore a budget fund up to the \$350,000 allowed. DNRC is authorized to use \$350,000 of the federal fire reimbursement money. Up to \$100,000 is used for contract trainers in the state and County Co-op programs. The \$250,000 is used for repair and maintenance of County Co-op equipment.

**SEN. BUTCHER** asked if the money was used for the field inspection of the county equipment. **Bob Harrington** stated that this is in addition to the mechanics that inspect county vehicles. This is used for repairs and replacements of equipment.

**Director Clinch** stated that when DNRC responds to out-of-state fires with either personnel or equipment, there is a workload that is not being done by those employees. The \$100,000 provides

some backfill for contracted services or make up for the tasks that went undone. If DNRC sends equipment out of state, the State is reimbursed for the depreciation and maintenance for that equipment. Since the State "earned" this amount of money providing a service, the concept is to use a portion of it to help maintain the fleet.

***{Tape: 3; Side: A; Approx. Time Counter: 13 - 19}***

**Bob Harrington** stated that DP7004 reflects an increase in fixed cost for facilities. The DP also reflects an increase in the fire protection fees charged to DNRC by the Flathead Agency. The total effect of this DP in FY04 was \$1,587, and in FY05 it is \$4,500. Originally DNRC had requested about \$65,000 per year. When the budget was prepared, the executive reductions were applied to this DP.

**Bob Harrington** described DP14, the restoration of a seasonal fire fighter FTE. These three different seasonal positions were eliminated in 2001 when the Legislature targeted FTE that had been vacant for over seven months.

**Doug Schmitz** stated that the positions were removed last sessions by the Cobb Amendment. The executive is requesting that the positions become permanent again.

***{Tape: 3; Side: A; Approx. Time Counter: 19 - 30}***

**Bob Harrington** presented DP 26. In 1999 the inmate firefighting crew was funded, but the crew was never formed, and the money was returned to the General Fund. Director Slaughter of the Department of Corrections(DOC) was able to work with DNRC last summer to form a crew. They responded to five fires. This DP would allow baseline funding for the vehicles for transporting the crew. This would increase the numbers of crews and the number of assignments for which they could respond.

**SEN. TASH** asked who provided the security and paid for the oversight of the inmates. **Bob Harrington** replied that guards from the Prison accompany the crews. A crew boss to manage the fire fighting effort would be provided by DNRC.

**CHAIRMAN PATTISON** asked under what circumstances would a Prison crew would be dispatched. **Bob Harrington** said primarily when there was a state fire that required a hand crew. The daily cost for a 14-hour shift for a comparable 20-person federal crew is \$3,256 per shift. The expense to DNRC for the Prison crew would be fuel and maintenance with the DOC affording the wages.

**Director Clinch** commented that the savings of the cost of dispatch plus the immediate availability of the crew is a plus.

**{Tape: 3; Side: B; Approx. Time Counter: 1 - 8}**

**Bob Harrington** addressed DP7001 which is a reduction of 4.15 FTE in an effort to meet the reductions. It would reduce the level of service to the County Co-op program, requiring them to maintain the vehicles. No further training would be provided by the Department.

**REP. MUSGROVE** asked how much of a problem with the infrastructure will result from this reduction. **Bob Harrington** said that it would increase the burden on the counties, but the Department feels this is the lesser of all evils when it comes to cutting funding. A lot of the west-side counties have better alternative resources than other areas.

**{Tape: 3; Side: B; Approx. Time Counter: 8 - 19}**

**Bob Harrington** stated the Federal Fire Reimbursement Fund and the Zook Reimbursement Fund provide \$350,000 a year to DNRC for the Department's part of fire costs. Through this DP the Department would relinquish their access to the funds, and the money would revert to the General Fund. In addition, the Department would make up the balance of \$4,000 through the fire operating budget.

**Bob Harrington** continued, describing the impacts of the DP, which would impact the expenditures for capital purchases and the operating revenue to pay for training. Some personal services would be eliminated. The County Co-op program and the Direct Protection Program would feel the greatest impact. Cuts in other programs would be applied to meet the funding short fall.

**{Tape: 3; Side: B; Approx. Time Counter: 19 - 24}**

**Gary Hamel** reviewed a sheet which illustrates the Department's targeted reduction, and the decision packages which have been proposed. The LFD issues put forth as additional reductions options were listed, as were additional proposals put forth by DNRC. **Gary Hamel** stated that the Department's proposed addition to the General Fund of the \$350,000 in fire reimbursement does not directly reduce DNRC's General Fund base. Accepting all of DNRC's proposals, without consideration for the contribution of the \$350,000 of fire reimbursement, still leaves an unspecified reduction of \$775,238 of FY04 and \$808,827 in FY05.

**EXHIBIT (jnh09a03)**

**{Tape: 3; Side: B; Approx. Time Counter: 24 - 30}**

**Director Clinch** stated he thought he was meeting the targets by including the \$350,000 toward General Fund and by addressing the Crow Tribe Settlement funding. **Doug Schmitz** did confirm that the \$350,000 would definitely help the General Fund.

**SEN. NELSON** inquired where the "other options" came from. **Gary Hamel** stated that if the Committee were to accept the Department's proposals as well as the proposals from the executive DP, these reductions are applied to the unspecified reductions. There may be other options that the Committee has. The Committee can leave an unspecified reduction which the Department would have to apply in order to meet the target reduction.

**Gary Hamel** stated that the \$350,000 would increase the statewide General Fund balance, but it would not impact DNRC's General Fund base. **Doug Schmitz** stated that the agency does not get General Fund credit for the \$350,000. The Crow Tribe Settlement really needs to be addressed as it is a \$500,000 annual increase over which the Department has no jurisdiction.

**{Tape: 4; Side: A; Approx. Time Counter: 1 - 9}**

**Gary Hamel** addressed State Fire Supplemental payments which are being addressed through HB16. The actual state protection costs were \$8.5 million. The Forest Service bill was \$6.4 million, and the estimated spring fire costs were about \$500,000. Due to the Colorado fire assistance, the spring costs were higher than originally estimated. The final amount paid and the anticipated obligations totaled about \$15.9 million. Because of the immediate nature of the obligations, the costs were paid through a number of different sources: \$10 million from the Governor's Emergency Fund advance; a supplemental appropriation of \$2 million; and authority from FY03 being moved back to FY02. After those payments are applied, the balance owing is about \$3.9 million. The estimated unpaid balance, the replenishment of the supplemental appropriation, and a \$700,000 transfer to meet payment obligations in FY03, leaves a supplemental request of \$6.6 million. This is being requested in HB 16 and has passed through the House Appropriations Committee. A number of these costs are due immediately.

**{Tape: 4; Side: A; Approx. Time Counter: 9 - 20}**

**Gary Hamel** described LC1248, a proposal by REP. KAUFMANN, which is intended to provide additional funding to help with wildfire

suppression. The bill allocates wild land fire property tax proceeds and establishes additional fees. **CHAIRMAN PATTISON** stated that the bill increased the mill levy for people in the wild land urban interface.

**EXHIBIT (jnh09a04)**

**SEN. NELSON** asked if a committee bill would duplicate what REP. KAUFMANN is proposing in LC1248. **Gary Hamel** stated that there were many ways to approach the issue.

**ADJOURNMENT**

Adjournment: 12 P.M.

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REP. JEFF PATTISON, Chairman

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ELAINE G. OLSEN, SECRETARY

JP/EGO

**EXHIBIT** (jnh09aad)